

EXHIBIT 1

Blechner, Paul

From: Blechner, Paul
Sent: Monday, April 22, 2019 6:42 PM
To: John Siffert
Cc: Rusty Wing; Matthew Weinberg; O'Donnell, Pierce
Subject: Letter
Attachments: Siffert - 4-22-19.pdf

John,
Please see attached.

Paul A. Blechner
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April 22, 2019

Via E-Mail

John S. Siffert, Esq.
Lankler Siffert & Wohl LLP
500 Fifth Avenue
New York, New York 10110

Re: *Terpin // Pinsky*

Dear John:

1. I understand that Pierce spoke with you earlier today about Ellis being in or having recently been in Spain. This has raised a host of new issues. Pierce said that you indicated that Ellis had already returned from Spain some days ago. Please provide us immediately with his travel itinerary and boarding passes to substantiate the date of his return. We also want to know if Ellis has been in contact with "Harry" or with anyone else about anything relating to cryptocurrencies, and the details of those conversations, if any.

2. We would like to schedule a day for a recorded interview with Ellis in the next two weeks. Your efforts as an intermediary in providing information have been beneficial but we need at this point to hear from him directly.

3. While you have previously stated that Ellis will take steps to secure from others the return of cryptocurrency that was taken from Michael, you have never explained what that means or how Ellis and your office intend to make that occur. As to "Harry" (and anyone else whom Ellis contends received a "take" from the hack of Michael's coin), please provide us with all details. As you know, the law is fairly straightforward that, as a co-conspirator, Ellis is responsible for everything taken from Michael, irrespective of who ended up with it. This would include the 50 BTC that he said that Josh claimed to have lost and the 100 to 150 BTC that he said Nick took as well as the amounts sent to "Harry" and anyone else and any amounts "lost" by virtue of the manner in which Ellis and his accomplices converted and laundered the proceeds. Moreover, the law is equally clear that, at the very minimum, damages would be calculated based on the UDS valuation at the time of the theft. We appreciate that Ellis sent what he did to Michael, but this now needs to move into the next phase and we need to understand what is occurring.

4. In prior conversations, you have asked that I identify areas or issues where we believe your client may have been inaccurate or less than fully forthcoming. While we have done so, I have been clear that this process doesn't work if Ellis is simply denying or hiding something until he becomes aware that we already know it. Unfortunately, we continue to have reason to

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believe that Ellis continues to hide information. We do not believe that he has returned to Michael everything that he took from Michael. We do not believe that he has identified all wallets or addresses that he used in connection with Michael. And, we do not believe that he only retained a limited quantity of cryptocurrency separate from what was returned to Michael. Ellis has certainly not presented documents to establish any of this. For all of these reasons, you can understand that it has raised an eyebrow to learn that he has jetted off to Europe. It is actually quite a coincidence if this occurred in the manner that I understand you described, and there presumably is documentation to substantiate that this trip was organized by the school and not set up by Ellis. We would like to see it immediately.

5. I spoke with Rusty and Matt last Monday (April 15), and they subsequently sent me two PDFs, one containing screenshots or photos from an Exodus wallet and the other a PDF of a spreadsheet that appears to have been downloaded from a Trezor. To follow up on a handful of document-related issues:

a. To make sure that I understand what was stated and what is in these documents, your client is stating that (a) the Exodus wallet is the [REDACTED] address, (b) this is his address/wallet, (c) all of the deposits into the Exodus wallet came from some bitvender, and (d) the 19 transfers into the Trezor on 1/8/18 and 1/9/18 are transfers of BTC from the Exodus wallet to the Trezor? Please confirm that is all correct.

b. On the Exodus screenshots, I am assuming that if you clicked on the down arrow to the far right side of each line entry that it would show additional information about each individual transaction. Can you please take a screenshot a couple of such entries so that we can see examples of such information? Please include at least one example that involves BTC being received and one examples that involves BTC being sent. In addition, please also include the detail for the "Sent" entry on July 05, 2018.

c. Is it correct for the Exodus screenshots that you have not redacted or placed any date limitations, i.e., this reflects all transfers in and all transfers out of the Exodus wallet?

d. On the other hand, we understand that information was redacted from the Trezor spreadsheet. Why was the information from the Trezor limited to January 8, 2018 and January 9, 2018? What were the balances at that time? What other transactions are on the Trezor, both before and after these dates? We ask that you send the entire Trezor report without redaction. He shares everything or we have a problem.

e. As I understand it, the approx. 8 BTC sent on 7/5/18 (or 7/6/18) were not sent to the Trezor? Does your client recall whether they were sent to someone else or to another account that he owned/controlled? And, why were they transferred at that time? Is this transfer the source of what was transferred to Michael from the Ledger?

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f. Why were we not provided similar records from the Ledger? Is there other information on the Ledger unrelated to this roughly 8 BTC? Similarly, Matt had previously referenced a breadwallet in a prior conversation, yet no documents were provided.

g. We have seen nothing that substantiates the claim that a bitvendor was used. We want to know the details about this, such as when it was put in, how many transactions, what quantity, from where, and who received the output from the bitvendor other than Ellis, if anyone. It is our belief that the Bitcoin was transferred from Binance to addresses controlled by Ellis. If it went to a bitvendor after that, as we understand your client to be claiming, where is any record of that?

h. We believe that your client has had exchange accounts and other wallets, and used other addresses. For example, has he ever had an account or wallet with Coinbase, Gemini, Poloniex, Jaxx, Atomic, or any other exchange or wallet? If he wants to come clean, this is the last opportunity to do so.

i. Your client made no mention of OMNI coins. How were they involved in the process, or, if unrelated to Michael, what were the details?

j. What documents show amounts from Michael's hack that were shared with "Harry", or "Ray", or "Josh", "Fridster64", or Nick, or anyone else? The mechanics of all of this remain frustratingly vague. How did this so-called "Harry" receive something in the neighborhood of 200 BTC and there is no record of it? How did others receive their shares?

If there are documents relating to any of these issues, we would like those without delay. Otherwise, we would propose to go over answers to these questions and others in the face-to-face interview.

6. We need any documents about the Spain trip immediately, and then I need an expedited time schedule for receiving any additional documents and scheduling an interview with Ellis.

Once all of that has occurred, we would like to shift to a more substantive conversation about next steps from there. Indeed, to date there has been no discussion about a resolution of Michael's civil claims. We are certainly interested to hear if Ellis is prepared to ensure, or at least assist with, the prompt delivery to Michael of the watches that Pierce has previously mentioned, which would be a significant step forward. As a starting point, will Ellis sign a document disavowing any interest in such watches and authorizing their delivery to Michael? Even with that, it is clear that Ellis' legal liability on Michael's civil claims far exceeds the amounts that he has thus far sent to Michael, and we will need to discuss how to address that.

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We look forward to your prompt response. We will call earlier if we determine there is a need, but would otherwise seek to schedule a call later this week.

Sincerely,



Paul A. Blechner

PAB

cc: Pierce O'Donnell

Rusty Wing

Matt Weinberg